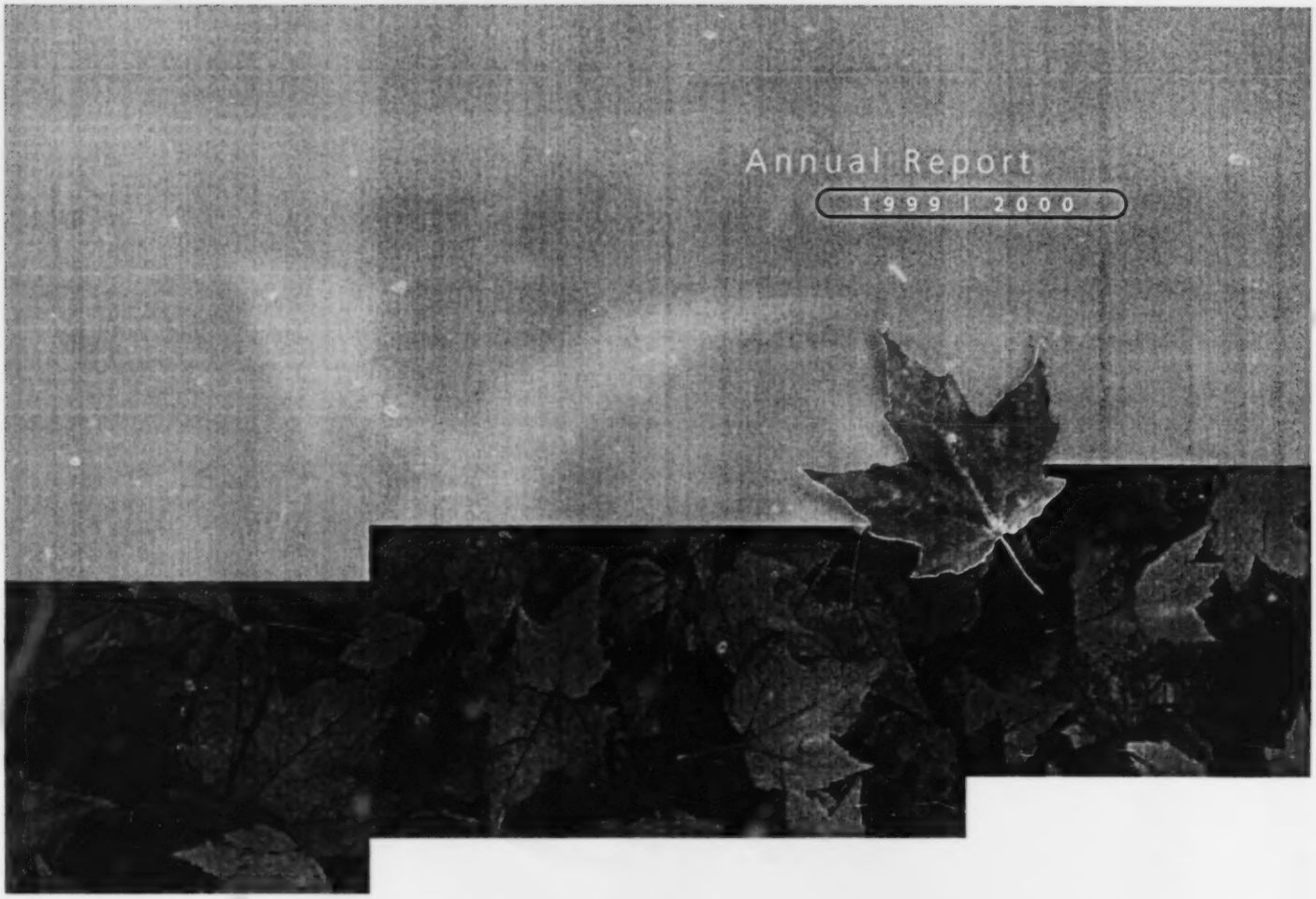

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

103-06045/

MINISTER OF
INDUSTRY, TRADE AND MINES

WINNIPEG, MANITOBA, CANADA
R3C 0V8

June 23, 2000

His Honour
The Honourable Peter M. Liba, C.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg MB R3C 0V8

Your Honour:

I am pleased to present the Annual Report for Manitoba Trade and Investment Corporation for the fiscal year ending March 31, 2000.

Respectfully submitted,

MaryAnn Mihychuk
Minister

Manitoba 2000
Our Past, Our Future, Our Celebration

MANITOBA
TRADE AND
INVESTMENT
CORPORATION

410-155 Carlton Street
Winnipeg, MB, Canada
R3C 3H8

Phone (204) 945-2466
Fax (204) 957-1793

June 21, 2000

Honourable MaryAnn Mihychuk
Minister of Industry, Trade and Mines
Room 358 Legislative Building
Winnipeg MB R3C 0V8

Dear Minister:

It is our pleasure to submit the Annual Report of the Manitoba Trade and Investment Corporation for the fiscal year ended March 31, 2000, as required by Section 15 of the Manitoba Trade and Investment Corporation Act.

Respectfully submitted,

Hugh Eliasson
Chairman of the Board

Rodney B. Sprange
President

Manitoba Trade and Investment Corporation
An Agency of Manitoba Industry, Trade and Mines

Last Year

First

The Corporation's fiscal year 1999/2000 started in the last year of the 20th century and ended in the first year of the 21st century. It was definitely a year of transition and renewal.

In September, a new government was elected in Manitoba bringing a new Minister responsible for the Corporation as well as a new Deputy Minister of Industry, Trade and Mines appointed as the Corporation's Chairman.

The Corporation has continued to receive excellent support from both the Minister and new Chairman, both of whom participated in a very successful trade mission to Jalisco, Mexico where Manitoba Trade and Investment entered into a cooperation agreement with Jal Trade, Jalisco's export development agency.

The staff of the Corporation continued to provide exemplary services to our clients and we received numerous letters of commendation for their dedication and services. The staff enjoyed great success in 1999/2000, exceeding targets for new exporter development and market diversification in our export activities. In the investment activities staff have created new strategy and programming, including a new program for the attraction of business immigrants.

Key to the Corporation's success has been the development of strong partnerships with other agencies with complementary mandates. We thank all of our partners in Manitoba and around the world for their assistance and cooperation this year and look forward to continued warm relationships with them over the next year.

Towards the end of this fiscal year, a decision was made to integrate staff from the Minerals Marketing branch and we look forward to a smooth integration and expanded capacity to serve companies interested in investing in Manitoba, including investment in the exploration and mining industries in Manitoba.

We will continue to improve and tailor our services, find new ways to deliver more accurate and timely information and assist Manitoba industry to grow through increased exports and business investment.

Rodney B. Sprange
President

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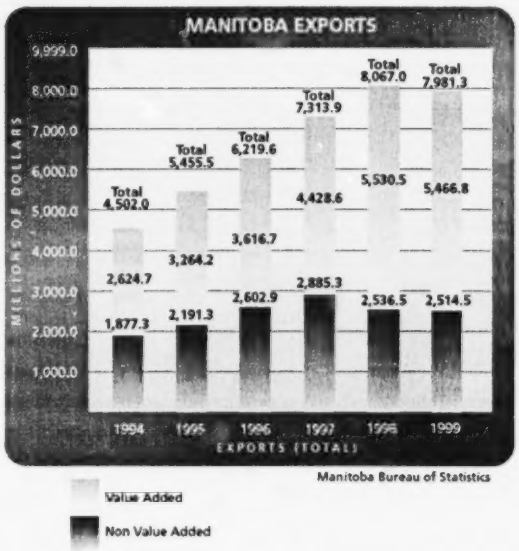
Manitoba Trade and Investment Corporation
An Agency of Manitoba Industry, Trade and Mines

Accomplishments

1999 | 2000

In 1999/00 Manitoba Trade and Investment helped over 100 Manitoba companies develop as new exporters and assisted companies diversifying their export markets in 232 instances.

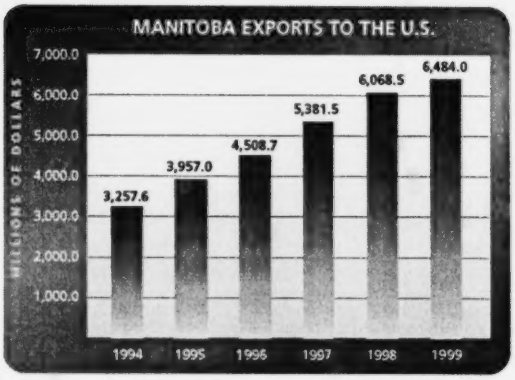
- The Manitoba Trade and Investment Corporation (MTI) exceeded performance targets, helping 100 Manitoba companies develop as new exporters and assisted companies diversifying their export markets in 232 instances.
- The Trade Assistance Program enabled 144 Manitoba companies to participate in trade shows and to develop new Web site marketing materials.
- In June 1999, MTI hosted "Jalisco Week in Manitoba," an incoming mission from the State of Jalisco, Mexico. As a result of the event, five cooperative agreements were signed in support of business, education, and civic issues.
- In March 2000, MTI concluded a successful five-year partnership with the federal government and other provincial offices to promote international business development. A new partnership arrangement for five years was negotiated in 1999, to continue building on the gains made.
- Our Web site www.manitoba-canada.com was given a new and easily recognizable URL and was expanded to offer a wide range of up-to-date market information, links and video clips. The Web site recorded 120,000 "hits" in 1999, up from 15,000 in 1998.



Highlights

Improved Trade Balance

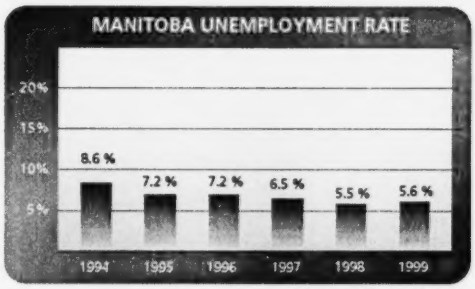
- Manitoba's Balance of Trade deficit with the U.S. declined from $1.4 billion in 1998 to $645 million in 1999, an improvement of 53%.
- Manitoba's trade surplus with countries other than the U.S. grew from $167 million in 1998 to $225 million in 1999.
- Total U.S. exports in 1999 were $6.48 billion, up almost 7% from 1998 and 64% from 1995 to 1999.
- Manitoba companies achieved significant diversification within the U.S. Exports to the Eastern States grew by more than 32% and exports to the Southern States grew by 25% in 1999.



Manitoba Bureau of Statistics

Jobs and Investment Continue to Expand

- Strong job gains over the last four years pushed the unemployment rate to 5.6%, the lowest in Canada for two years in a row.
- The Manitoba economy expanded by 2.3% which, while 1.2% less than 1998, was above the 10-year average of 1.6%.
- Service-producing exports led the way, expanding 3.6% in the past year. Of these, accommodation, food, and beverage rose 7.6%.
- Investment spending rose 3.3% in 1999. Private investment rose 1.8%, for an eighth consecutive annual increase, with much of the growth coming from the manufacturing and transportation sectors.
- MTI is currently involved in 15 active business investment projects.



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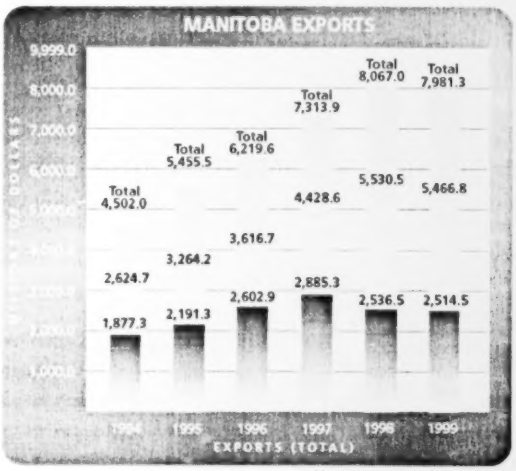

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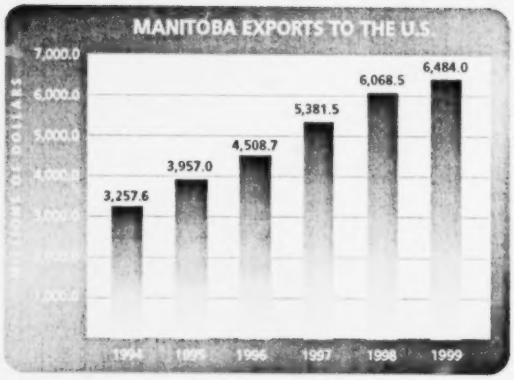

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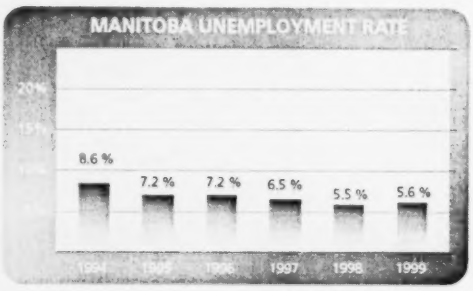


Manitoba Bureau of Statistics

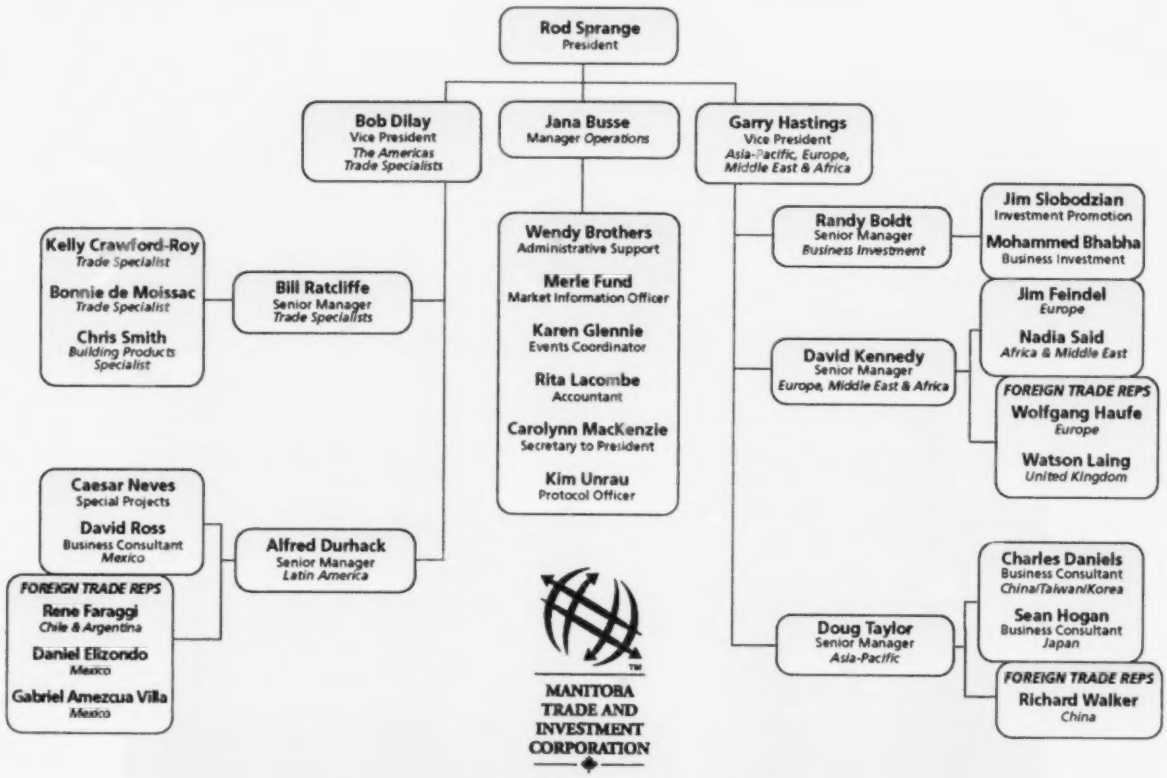
Building Manitoba's Economy

An overview of operations

Objectives

The Manitoba Trade & Investment Corporation (MTI) is Manitoba's lead agency for international business development, helping Manitoba businesses increase their exports and promoting the expansion of inward investment. To achieve these goals, MTI concentrates on five key activities:

- providing Manitoba companies with valuable information and resources to access foreign markets;
- developing the capabilities of Manitoba exporters, specifically the development of new exporters; and the market diversification of existing exporters;
- coordinating outgoing missions, trade shows and special events to facilitate companies' access to new markets and buyers; and incoming missions / delegations to introduce foreign buyers and governments to Manitoba's products and capabilities;
- promoting business and investment opportunities in this province to representatives of foreign companies and governments;
- promoting the "Manitoba Advantage" to international investors.



Services Provided by MTI

GENERAL INFORMATION	SKILLS DEVELOPMENT	EXPORT COUNSELLING	TRADE FINANCING	MARKET ENTRY SUPPORT	IN-MARKET ASSISTANCE
Toll-free Export Information Service	Export preparation guides	Export-readiness assessment	Market development financing (TAP)	Market information & informational sessions	Market prospects
MTI Web site	Export skills training	Market readiness assessment	Trade show support (TAP)	Trade fairs/shows	Key contacts search
MTI newsletter	Preparation for U.S. market	Export plan development		Trade missions	Visit information
General seminars	Preparation for other markets	Export plan implementation		Partner identification	Direct contacts
				Market intelligence	Local company information
				Advocacy	Troubleshooting
				Reverse trade shows, incoming missions	Government & business liaison

Canada-Manitoba MOU

MTI also encourages and facilitates cooperation with other provincial economic development agencies and agencies from other levels of government, as economic development is truly a cooperative effort. A key example is the high level of cooperation between the Province (including MTI) and the federal government arising from a five-year Memorandum of Understanding (MOU) signed in 1995 to promote international business development. This collaborative effort led to many overall benefits, including:

- coordinated and cost-effective delivery of export programs and services
- reduced duplication and increased effectiveness through shared resources
- nationally recognized processes for performance measurement and tracking

With the proven benefits of this approach, a new five-year MOU was negotiated during the year.

A Year In Review

Exporter Development

Supporting New Exporters & Building New Markets

MTI's strategy for export growth has two components:

1) helping to create new exporters and
2) helping established exporters to diversify their markets

MTI Trade Specialists provide sector specific trade and investment support to Manitoba companies in priority sectors. The Exporter Development Program includes a variety of activities/services primarily intended to assist Manitoba's small to medium-sized enterprises.

Among these are:

- dissemination of market information/intelligence
- new exporter training and access to export financing
- group trade shows and business missions (outgoing/incoming).

Seminars and information sessions:

- MTI participated in organizing two mentor seminars which highlighted Manitoba business people who have achieved success in exporting into the U.S. market. These two seminars attracted 60 participants who were primarily potential new exporters.
- MTI conducted an intensive new exporter training session that targeted 12 potential new exporters and focused on the necessary steps to becoming a qualified exporter.

Exporter Counselling & Training

MTI Trade Specialists identify and qualify new exporters and coordinate export training programs for these Manitoba businesses to encourage them to consider exporting in their business plans. MTI ensures prospective and early-stage exporters have access to high-quality export skills training programs. MTI also supports "export active" companies in market diversification.

Priority sectors include food and beverage processing, apparel, building products, original equipment manufacturers and sub-components/agricultural equipment and exportable services.

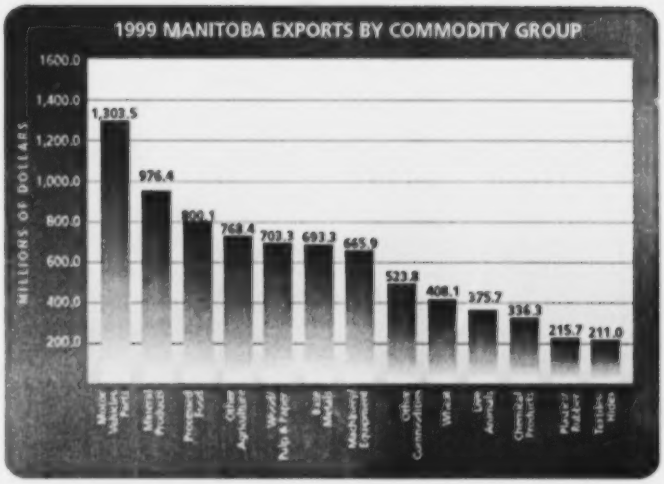
- In 1999/00, Manitoba Trade provided export counselling to 128 Manitoba companies in their U.S.-focused export development activities.

Trade Assistance Program (TAP)

Manitoba companies are also assisted through the Trade Assistance Program (TAP) which provides support to qualified companies to access new export markets.

- MTI assisted 144 Manitoba companies through the Trade Assistance Program (TAP) in 1999/00 compared with 142 companies in 1998/99.

The majority of the approved applicants are companies targeting the U.S. market, generally the first international market for new exporters. Once the companies become proficient in the U.S. market, they become potential exporters for international offshore markets.



Manitoba Bureau of Statistics

Accessing International Financial Institutions

MTI provides counselling and assistance to Manitoba companies to help them access export projects with International Financial Institutions (IFI).

- During 1998/99, two International Financial Institutions (World Bank and The Inter-American Development Bank) were identified and key resource people contacted to establish the foundation for a future Manitoba mission. In September 1999, Manitoba Trade led a business mission to Washington, D.C., which included eight representatives from Manitoba exportable service companies. The main objective of the mission was to provide our companies with a first-hand opportunity to better assess IFI prospects. The mission program included participation in business briefing sessions and one-on-one meetings with IFI officials. A follow-up business mission will be held in 2000.

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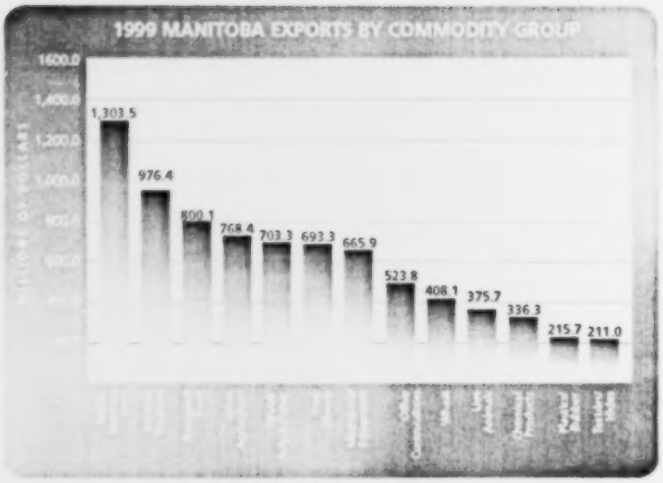

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Manitoba –

An Economic Overview

	1994	1995	1996	1997	1998	1999
Unemployment Rate *(%)*	8.6	7.2	7.2	6.5	5.5	5.6
Private Empoyed Labour Force *(thousands of persons)*	391.1	396.8	394.0	404.3	418.6	418.0
Manufacturing Shipments *(millions of dollars)*	7,542.0	8,334.3	8,971.5	9,999.0	10,613.2	10,340.0
Gross Domestic Product ***(at factor cost)***						
(millions of '92 dollars)	21,985	22,189	22,660	23,568	24,356	24,904
(% change year over year)	3.6	0.9	2.1	4.0	3.3	2.2
Actual Employed Labour Force, By Industry, ***(thousands of persons)***						
Professional Scientific & Technical Services	15.4	17.6	18.8	22.9	24.5	22.3
Management, Administrative and Other Support	13.2	14.5	12.7	14.3	15.9	16.4
Educational Services	36.4	36.9	36.9	35.8	36.9	37.9
Health Care and Social Assistance	60.3	61.9	63.2	63.1	62.3	63.7
Information, Culture and Recreation	18.8	19.8	19.9	19.6	18.7	18.8
Accommodation and Food Services	31.6	32.7	33.0	33.3	31.6	33.2
Other Services	23.7	21.9	21.9	22.7	24.5	24.2
Public Administration	35.6	35.1	36.6	36.3	34.5	33.0
Agriculture	40.5	39.4	39.8	40.9	39.2	37.3
Forestry, Fishing, Mining, Oil and Gas	7.4	8.0	8.9	10.4	10.0	6.8
Utilities	5.1	5.4	5.1	4.7	5.3	6.4
Construction	26.3	23.4	24.8	24.7	27.9	29.3
Manufacturing	62.4	56.7	58.2	59.4	62.7	64.5
Retail and Wholesale Trade	80.3	82.4	77.5	77.4	80.6	83.4
Transportation and Warehousing	33.9	34.3	33.6	33.1	32.7	34.7
Finance, Insurance, Real Estate and Leasing	28.5	29.1	27.7	27.1	28.1	30.7

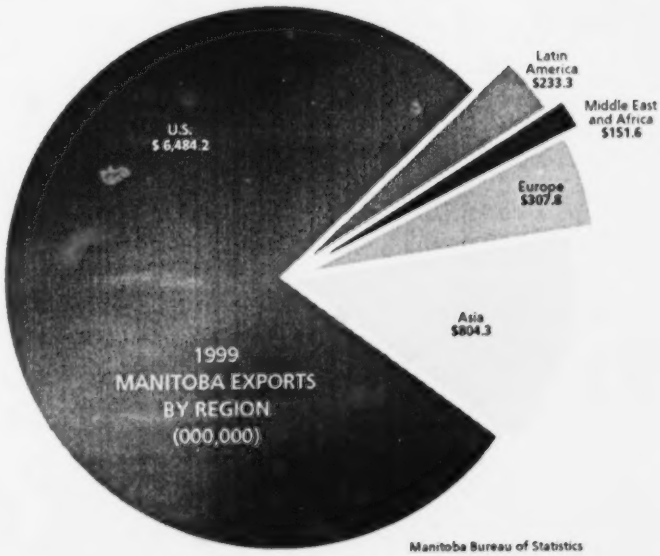
Targeting

Global Markets

The Manitoba Trade and Investment Corporation takes a lead role in coordinating Manitoba's international missions and trade shows; intergovernmental relations for trade development; and the management of Manitoba's foreign trade representatives in China (Hong Kong), Japan, the United Kingdom, Mexico, The Netherlands, Chile and other locations as appropriate to industry interests.

- Manitoba's foreign trade representatives held seminars for interested exporters in Brandon and Winnipeg in 1999/00. The representatives met with Manitoba companies and toured manufacturing facilities in both Brandon and Winnipeg. This is an annual event allowing an opportunity for Manitoba companies to meet personally with the representatives and gain from their expertise.

Export results for the 1999 calendar year were slightly lower than 1998, except for the U.S. market which grew by 6.9%. However, the 1st Quarter of calendar year 2000 shows export gains of almost 10% over the same period in 1999.



AMERICAS

(United States, Mexico, Central America, Caribbean and South America)

Trade Corridors

MTI continues to participate in the development and promotion of Manitoba as an integral component in the Mid-continent Trade Corridor. Through representation on the Manitoba/Winnipeg Corridor Partners' Committee and participation in a number of focused trade-related studies, MTI takes a proactive approach to enhancing Manitoba's competitive position.

United States

1999 Manitoba Exports to the United States ($ Millions)

Region	Exports	% of total
Midwestern states	3,679.5	56
Western states	1,050.0	16
Eastern states	738.7	11
Southwestern states	506.9	8
Southern states	392.6	6
Other states	116.4	2
Total	$6,484.0	100.0

Manitoba Bureau of Statistics

The U.S. is clearly Manitoba's most important export market. Exports to the U.S. have increased from pre-FTA/NAFTA levels of $1.8 billion (1988) and $2.5 billion (1993), respectively, to $6.5 billion in 1999. This represents an increase of 6.9 % over 1998.

Manitoba's 1999 U.S.-destined exports represented 81.2% of our total foreign exports. Non-agricultural products/services represent in excess of 85% of our U.S.-destined exports. Geographically, twelve states, including the nine states that comprise the mid-continent corridor region along with Indiana, Illinois and Wisconsin, received in excess of 50% of our 1999 U.S. exports. On a regional basis, Manitoba exports to the U.S. break down as follows:

- In 1999/00, Manitoba Trade organized five trade shows in the U.S. with participation by 30 Manitoba companies. These companies reported a total of $4.5 million in actual/projected sales as a result of participating in these shows. The trade shows focused on the priority sectors of food and beverage processing, building products and original equipment manufacturing and sub-components/agricultural equipment.

Export market diversification is important for continued export growth and MTI works closely with Canadian consulates in the U.S. and other external agencies to identify market diversification opportunities. Results can be seen by growth in exports to Eastern and Southern U.S. states (32 % and 25%, respectively).

Exports to Eastern and Southern states grew by 32% and 25% respectively in 1999.

Mexico

In 1999, Mexico was Manitoba's fourth-largest export market with exports totaling $103.4 million. In 1999 exports to Mexico were more than double the pre-NAFTA export level of $51.8 million (1993). Mexico will continue to be a priority international market for export trade development.

Manitoba's Foreign Trade Representative, located in Monterrey, Nuevo Leon, is responsible for Northern Mexico. In December 1999, Manitoba appointed a second Foreign Trade Representative in Guadalajara, Jalisco, to promote Manitoba's interests and capabilities and to work directly with Manitoba companies pursuing opportunities in Central Mexico and Jalisco.

- During 1999/00, Manitoba's representatives worked directly with 12 Manitoba companies in addition to providing logistical support to two Manitoba business missions to Mexico.
- Manitoba's Foreign Trade Representative from Guadalajara attended the annual meeting of representatives in Manitoba in March 2000. As a result of his visit, a work plan was developed to follow up on identified opportunities that would benefit 24 Manitoba companies.
- In March 2000, a Ministerial-led business mission to attend the "AFIA-AGRO de las Américas" agricultural trade show was organized with three Manitoba businesses, together with a full meeting schedule for MaryAnn Mihychuk the Manitoba Minister of Industry, Trade and Mines with her Jalisco governmental counterparts and the Governor of Jalisco Alberto Cárdenas Jiménez. The Minister also inaugurated a Manitoba product display with display materials from 26 Manitoba companies, and witnessed an agreement to further cooperation between Manitoba Trade and JALTrade.

Jalisco Week

During the week of June 18-23, 1999, Manitoba hosted a business and cultural incoming mission of more than 100 delegates from the State of Jalisco, Mexico.

The mission was led by the Governor and included members of the Jalisco government, business and agricultural communities and a strong cultural component. The delegation participated in a number of focused meetings, industrial/agricultural tours and cultural awareness events. His Excellency Ezequiel Padilla Couttolenc, Ambassador of Mexico to Canada, travelled to Winnipeg and participated in the "Jalisco Week in Manitoba" events. This was a follow-up to the "Manitoba Week in Jalisco" event held in Jalisco, Mexico from November 1-5, 1998.

Hon. MaryAnn Mihychuk opens Manitoba display with senior executives from Jalisco.

The Jalisco Week programs provided an opportunity for focused activities and encouraged an exchange of dialogue and ideas regarding future initiatives.

- During Jalisco Week in Manitoba, five agreements were signed between Manitoba and Jalisco. The Guadalajara Rotary Club and the Winnipeg Rotary Club also signed a cooperation agreement. The five Manitoba-Jalisco agreements included:
  - A Staff Exchange Agreement
  - An Education Agreement
  - An Agreement on the Prevention and Treatment of Cancer
  - An Agreement on the Prevention and Treatment of Addictions
  - A Co-operation Agreement to increase commercial activity in agriculture
- As a result of the incoming mission, the Manitoba Fire College is tendering on training seminars in civil defence and disaster relief and a Mexican multinational pharmaceutical company is in discussions with four Manitoba companies to develop joint ventures.
- The Staff Exchange Agreement resulted in a person from the International Affairs Office of the Governor working in Manitoba for one week in November. The program included working with MTI and also furthering business prospects between Manitoba/Jalisco companies which were initiated during the Jalisco Week event. An MTI staff person completed a similar exchange in December 1999. A number of trade leads were identified.
- MTI partnered with the University of Manitoba and the private sector to provide international business experience for three Manitoba students in Mexico.

Manitoba product display at the new Secretariat of Economic Promotion Building. Guadalajara, Jalisco.

PHOTO COURTESY OF THE WINNIPEG FREE PRESS

Three of Manitoba's Foreign Trade Representatives in Winnipeg and Brandon for meetings with Manitoba companies. (L to R) Wolfgang Haufe (Europe), Richard Walker (China), Gabriel Amezcua (Mexico).

South America

South America, specifically Brazil, Argentina and Chile, continued to generate interest from Manitoba exporters. Manitoba companies' activities in this region were facilitated through targeted missions/group shows and support from Manitoba's Foreign Trade Representative located in Santiago, Chile. In total, Manitoba exports to South America in 1999 totalled $85.9 million with exports to the three priority countries totalling $21.1 million. Two-way trade between Manitoba and the three priority countries totaled $44.1 million.

Manitoba's Foreign Trade Representative in Santiago, Chile, has responsibility for Chile and Argentina.

- The Representative visited Manitoba in December 1999 and delivered a seminar on "Opportunities in Chile" to over 40 business people. In addition, three days of one-on-one meetings with Manitoba companies were arranged.
- In 1999/00, the Representative assisted 46 new and active Manitoba companies in Chile. In addition, he coordinated two Manitoba business missions to Chile and organized/represented Manitoba's building products sector in the Edifica Builders Show in Santiago, Chile.
- The representative also participated in the Foreign Trade Representatives meeting in March 2000. The Representative spoke to 150 companies and met with 21 Manitoba companies interested in working in Chile.

In 1999/00, MTI coordinated three outgoing missions/trade show activities in South America.

- MTI coordinated a business mission to the ExpoInter show (the largest agricultural show in Latin America) with three Manitoba companies participating, in addition to Manitoba Trade displaying products and literature of over 40 Manitoba agribusinesses. One company completed a joint venture with a Brazilian partner to establish a storage facility for cattle embryos. In addition, two incoming missions will result from this event including an agribusiness delegation, buyers representing a food distribution company and a multi-sector mission early in the summer of 2000.
- In March 2000, MTI coordinated the Canadian Pavilion at ExpoChacra 2000 in Argentina. Four Manitoba companies displayed products at this trade show, resulting in two companies identifying and signing representatives in Argentina.
- MTI coordinated a successful Information Technology mission to Santiago, Chile, in March of 2000 in cooperation with Industry Canada and the Canadian Consulate in Santiago. Six Manitoba companies traveled to Chile and met with interested Chilean companies. Several of the Manitoba companies have subsequently signed contracts in Chile. A follow-up mission is planned for June 2000.
- Manitoba received a number of buyer missions from South America, including the Seed Growers Association of Chile along with the Agricultural Attaché for Chile. Manitoba also received several smaller buyers' missions from Brazil (Rio Grande do Sul), Chile, Venezuela, and Mexico.
- Manitoba Trade represented the province and participated in the Fifth America's Business Forum in Toronto in November 1999. This forum preceded the Free Trade Area of the Americas (FTAA) Trade Ministers Meetings in Toronto. Manitoba was one of three provinces that participated in the trade show highlighting our strengths and capabilities. This further reinforced Manitoba's profile within this important market. More than 1,000 business and government representatives from the Americas were at the event.
- Over the past two years, Manitoba has received over 200 students from South America and Mexico. Many of these incoming students' visits have resulted from contacts and missions coordinated by MTI.

ASIA-PACIFIC, EUROPE, MIDDLE EAST & AFRICA

The Asia-Pacific region represents a significant export market for Manitoba. Manitoba exports to the region in 1999 were $804 million, a 30% decrease over 1998, due in part to the continued economic slowdown in the Asia-Pacific region. The majority of Manitoba's decreases in exports to Asia are made up of canola, wheat and nickel. Japan and China continued to be Manitoba's most significant export markets within the region.

Japan

Japan continued to be Manitoba's second-largest market, after the United States, in 1999 with exports totalling $378.6 million, a decrease of 6% from 1998 levels. Agricultural products made up a large portion of these exports. However, as a direct result of MTI's commitment to the building products industry, Manitoba building products companies have established their presence in the Japanese market and constitute a significant portion of Manitoba's exports. These companies continue to ship pre-fabricated housing, building products and furniture to Japan.

- In May 1999, Manitoba participated in the Total Construction Materials and Equipment Fair in Osaka, highlighting our building construction methods and products to the second-largest market in Japan.
- In September 1999, Manitoba led a four-company delegation on the Team Canada mission to Japan, visiting both Osaka and Tokyo.
- In February 2000, Manitoba participated in the CanAsia Housing 2000 Buyers Forum in Vancouver, BC. The Forum was attended primarily by Japanese buyers and house builders.
- In March 2000, Manitoba co-hosted, with The Department of Foreign Affairs and International Trade, a seminar in Winnipeg highlighting the Japanese market and ways of entering this market.

China

China was Manitoba's third-largest export market in 1999. Exports to China (including Hong Kong) were $219 million in 1999.

Manitoba's Foreign Trade Representative in Hong Kong continues to work in China on a regular basis to follow up on project initiatives. MTI is concentrating its promotional efforts in Henan, Liaoning and Shangdong Provinces. Manitoba continues to provide liaison with businesses and government officials in Henan in conjunction with Manitoba's economic cooperation agreement with this province signed in 1994. Key sectors include grain handling and storage, agribusiness, energy and power, education services, engineering consulting, building products, animal genetics and environmental industries.

- In April 1999, MTI participated in the Canadian pavilion at the Agro-Foodtech China agricultural trade show. Seven companies involved in swine genetics, hog equipment and grain storage were represented at the show. Manitoba companies are continuing to pursue the ongoing World Bank Grain Handling and Storage project in Northeast China.
- A key event in 1999 was the visit to Manitoba by Party Secretary Ma Zhongchen from Henan Province, China. Secretary Ma signed two agreements, including one outlining cooperation in education. His visit has also led to a potential grain storage project in Henan,

a cultural exchange with the Manitoba Museum of Man and Nature and discussions in the areas of animal genetics and alternative fuel systems. The education agreement led to a mission to China in November 1999 with Manitoba educational institutions seeking to attract Chinese students.

A visit from Henan Province's Governor Mr. Li Ke Qiang is anticipated for September 2000. Also, in November 2000, a Team Canada Mission led by Prime Minister Chretien and provincial premiers will be visiting Beijing, Shanghai and Hong Kong.

- In November 1999, MTI co-hosted two seminars with representatives from the Canadian Consulate in Hong Kong and the Taipei Economic and Trade office outlining market opportunities. The seminars were well attended by over 75 people between the two events.

Europe

Manitoba exports to the European Union in 1999 were $303.8 million. The remainder of Europe accounted for $4 million in exports.

European investment in Manitoba represents some of the province's largest manufacturing companies, i.e., New Flyer Industries, Standard Aero, Pauwels International, Winpak, Midwest Foods and Pizza Pops.

Manitoba has over 350 companies exporting both products and services to Europe. Many of the companies have agents representing them while others have sales offices. Strategic alliances have been on the rise with more Manitoba firms partnering with European companies.

MTI continues to support Manitoba companies as they look to Europe for increased exports, new technologies and investment.

Exploring Health Industry Opportunities
MTI representatives explore opportunities with ScheBo Tech in Germany, a company designing and producing kits for the early detection of cancer and diabetes.

Exploring Biotech Opportunities
Representatives from Manitoba discuss biotech opportunities with Dr. Heinz Saedler, Director of the Max Planck Institute in Cologne, Germany (far right), and Wolfgang Haufe, Manitoba's Foreign Trade Representative in Europe (second from left). MTI is exploring opportunities for Manitoba in biotech to establish test sites, joint ventures, research and investment.

- During 1999/2000, four trade shows were attended–Inter-Jeans, the men's apparel trade fair in Cologne, Germany; Biotechnica '99 in Hanover, Germany; and two European Commission sponsored partnering events for small and medium-sized companies in Austria and Germany–32 Austrian companies were approached regarding possible matches with Manitoba parties and 16 companies were approached in Germany. Subsequent site visits have been made to nine of the Austrian companies. Site visits were also conducted to eight Dutch companies following up on the partnering conference of 1998.

- Thirty-three Manitoba companies were assisted in identifying trade opportunities in Europe. Seven companies subsequently called on 15 European firms following itineraries arranged by MTI staff. All seven companies were successful in reaching partnership agreements or in selling their products in Europe.
- Two companies from the Netherlands visited Manitoba on call programs arranged by MTI.
- It was a particularly active year for incoming government representatives from Europe. A major British High Commission initiative occurred during June 1999. Iceland named its Consul General to Canada, locating the Consul General in Winnipeg. Representatives also visited from Belgium, The Netherlands, Austria, Czech Republic, Poland and Italy.

In the coming year, MTI will continue to focus its efforts in the United Kingdom, Germany, The Netherlands, Austria and Italy, facilitating trade and investment initiatives in agri-food, agribusiness, building products, consumer products, and business immigration.

(L to R) Gavin Rich, Marketing Manager of Richlu Sportswear, Kelly Crawford-Roy, MTI Trade Specialist and Wolfgang Haufe, MTI's Foreign Trade Representative in Europe explore business opportunities at the Herren-Mode-Woche / Inter Jeans show in Cologne, Germany, the largest men's fashion fair in the world.

Middle East & Africa

Manitoba exports to the Middle East/Africa region in 1999 were $152 million, an increase of 18% over 1998. Principal exports to the region are wheat and other grains although there is growing activity in agribusiness, agri-food, building products and educational services. Primary target markets in the region are Egypt, Iran, Saudi Arabia, United Arab Emirates, Israel and Turkey.

MTI hosted an Iranian business delegation in June 1999 to explore opportunities in agricultural machinery, packaging and engineering consulting.

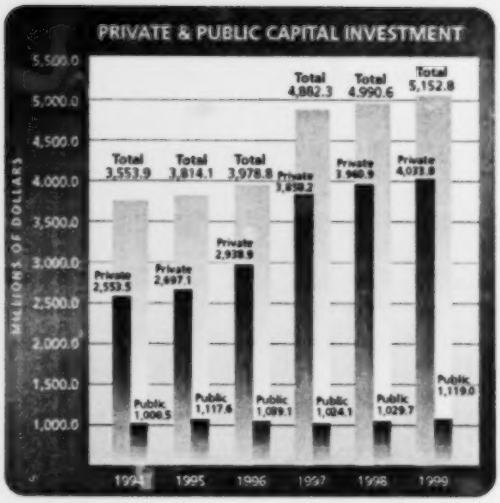
- MTI assisted 25 Manitoba companies in identifying trade opportunities in the Middle East region.
- MTI received five incoming missions, three from Iran and two from Egypt. An Iranian procurement mission resulted in the sale of Manitoba products. Manitoba firms are currently negotiating several deals relating to the sale of agricultural equipment, training and management services, e.g., marketing/distribution and consulting engineering (setting up an oil processing plant). In addition, these incoming missions resulted in the establishment of joint partnership agreements between Manitoba and Iran companies for the marketing and distribution of equipment and services. The total numbers of delegates visiting Manitoba were 70 businesspeople.
- As a result of a ministerial mission, a contract was signed with a Manitoba engineering consulting company for the design, construction, management and training for an edible oil processing facility in Egypt (estimated value of the project is $20 million).
- In May 1999, MTI led a business mission that included an international trade show in Tehran, Iran, and a meeting program in Dubai, United Arab Emirates. Two of the mission participants are doing follow-up negotiations and seeking new opportunities in this market.

International

Investment

Manitoba Trade and Investment Corporation coordinates the Province's international investment attraction strategy which:

- identifies Manitoba's competitive strengths and promotes them in target markets
- gathers regional comparisons and compilations of costs and benefits of establishing, expanding or locating a business in Manitoba
- acts as Manitoba's first point of contact with prospective international investors and provides site selection services for these clients



Manitoba Bureau of Statistics

- identifies specific sectoral investment opportunities including greenfield, joint ventures, plant expansions and strategic alliances
- identifies and recruits business immigrants

Business Investment

Specific ongoing initiatives that were undertaken in the year include:

- A call and outreach program was coordinated in Minneapolis where a prominent company executive from Manitoba spoke to a meeting of Minneapolis executives on the advantages of doing business in Manitoba. This project was jointly presented with the Canadian Consulate in Minneapolis.
- National Database project: MTI continued work with Investment Partnerships Canada (IPC) on developing a National Site Selection Database for the "Invest in Canada" Web site aimed at site selectors and potential investors.
- MTI participated in the International Development Research Council (IDRC) Spring Congress. This is a major opportunity to promote Manitoba to corporate real estate executives of Fortune 1000 companies in the United States and Canada, site selection consultants, and economic development agencies from across North America and the world. Plans are for Manitoba to attend with a business group each year in order to build relationships with site location and expansion decision-makers.
- MTI initiated work in developing potential investment opportunities which will be used to attract and retain private sector investment in the province. These opportunities are being developed in conjunction with other provincial, federal and municipal governments, as well as with the private sector.

Business Immigration

Manitoba's entrepreneurial clients have come from a variety of regions with large numbers originating from Korea, the United Kingdom, Colombia, Brazil, Germany and China. Immigration lawyers and consultants, the local community and MTI promotional missions generate the majority of entrepreneurial clients for Manitoba.

- MTI completed eight promotional missions to target regions over the past four years, with the aim of generating exploratory visits to the province.
- Interested business people conducted 111 exploratory visits to Manitoba between 1996 and 1999. Thirty-three business people have indicated that they have selected Manitoba and have applied to immigrate to Manitoba and to establish a business in the province. The known investment potential for 26 of those clients amounts to $13, 987,000.
- A total of 28 clients have moved to Manitoba during the past four years. The investment potential for 14 (50%) of those clients, amounts to almost $10 million. An example of an entrepreneur who has been attracted by the program includes a business immigrant from Mexico who moved into Manitoba in January 2000. The business immigrant has a company in Mexico which distributes products to industrial companies all over Mexico. The entrepreneur has established a trading company in Winnipeg to market Manitoba products to his distribution network in Mexico.
- MTI worked with Citizenship and Multiculturalism Division (CMD) at the provincial Department of Labour to launch a Provincial Nominee Program for Business (PNP-B). This program will allow the Province to nominate those business immigrants who promise to establish a business in Manitoba. The PNP-B is attractive to potential immigrants because it significantly reduces processing time. It is expected that the PNP-B will be launched in the 2000/2001 fiscal year.

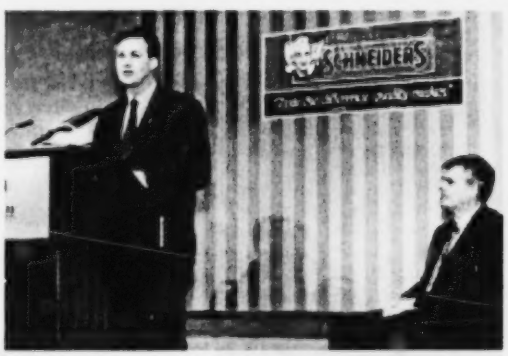
Investment Promotion

MTI's investment marketing strategy incorporates a number of tools, including an extensive line of printed promotional literature, electronic promotion such as videos and Web sites, personal marketing at events and trade shows, and a modest advertising campaign in targeted journals. Where appropriate, these materials have been translated into additional languages, including Mandarin, Japanese, Korean, French, Spanish and Portuguese. These promotional materials are all developed under the banner "The Manitoba Advantage", as part of a consistent province-wide strategy.

The print advertising campaign targets Manitoba's two key investment markets (U.S. and Europe), taking advantage of special opportunities to cooperate in joint federal/provincial promotional opportunities. The key recognized industry journals in these markets are targeted.

- Substantial improvements and additions were made to MTI's Web site in 1999/00, serving both potential international investors and Manitoba exporters. This included added presentations, video clips, statistics, and links.
- Page hits on the MTI Web site have grown to almost 15,000 per month. Page hits on the Manitoba Business Calendar site have also reached almost 15,000 page hits per month.
- A special URL (**www.manitoba-canada.com**) was registered as the address for the MTI Web homepage to bring an identity to international business activities for Manitoba.
- MTI has partnered with a number of organizations to develop Web sites that jointly promote regional trade and investment activity. This includes partnership on a Web site with the Canada-Manitoba Trade and Investment Team, development of the www.western-canada.com Web site with Western Canada Trade Officials, and the Invest in Canada Web site promoting community profiles.

MTI also maintained existing communications programs in 1999/00, such as the Manitoba Trade Fax newsletter, which provides a regular announcement of upcoming international trade events to 700 Manitoba companies. This newsletter is distributed by fax and by regular insertion in the Manitoba Chamber of Commerce newsletter (Focus) and the Winnipeg Chamber of Commerce HUB magazine.



Premier Gary Doer with Schneider's Chairman and Chief Executive Officer Doug Dodds announcing the company's $125 million investment to expand its meat processing operations.

Market Intelligence and Information Services

MTI provides information products on export markets for local Manitoba companies and on Manitoba company capabilities for potential clients in overseas markets. The program involves data collection surveys with federal and provincial delivery partners, analysis and dissemination. Key developments over the past three years include a Client Tracking Database for Industry, Trade and Mines, Web site applications, coordination of Manitoba company data collection surveys with federal and provincial delivery partners and the development of promotional products, display units and collateral material for MTI initiatives and activities. This group will continue to maintain an information system to provide companies with up-to-date information and to assess the impact of MTI activities. The group will also work with the federal government to ensure that timely, relevant market intelligence reaches Manitoba exporters.

Manitoba Trade and Investment Corporation thanks our many friends and partners throughout Canada and the world for all of their help and encouragement in 1999/00. We look forward to continuing good relations in the coming year.

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